



Risk-Based Initiative for Contract Closeout: One CMO's Perspective

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- Background – DCMA VA
- Closeout Overview from DCMA VA Perspective
- T&M Initiative
- Alternative Closeout Approaches
 - High Risk Contractor
 - Anteon Closeout Initiative



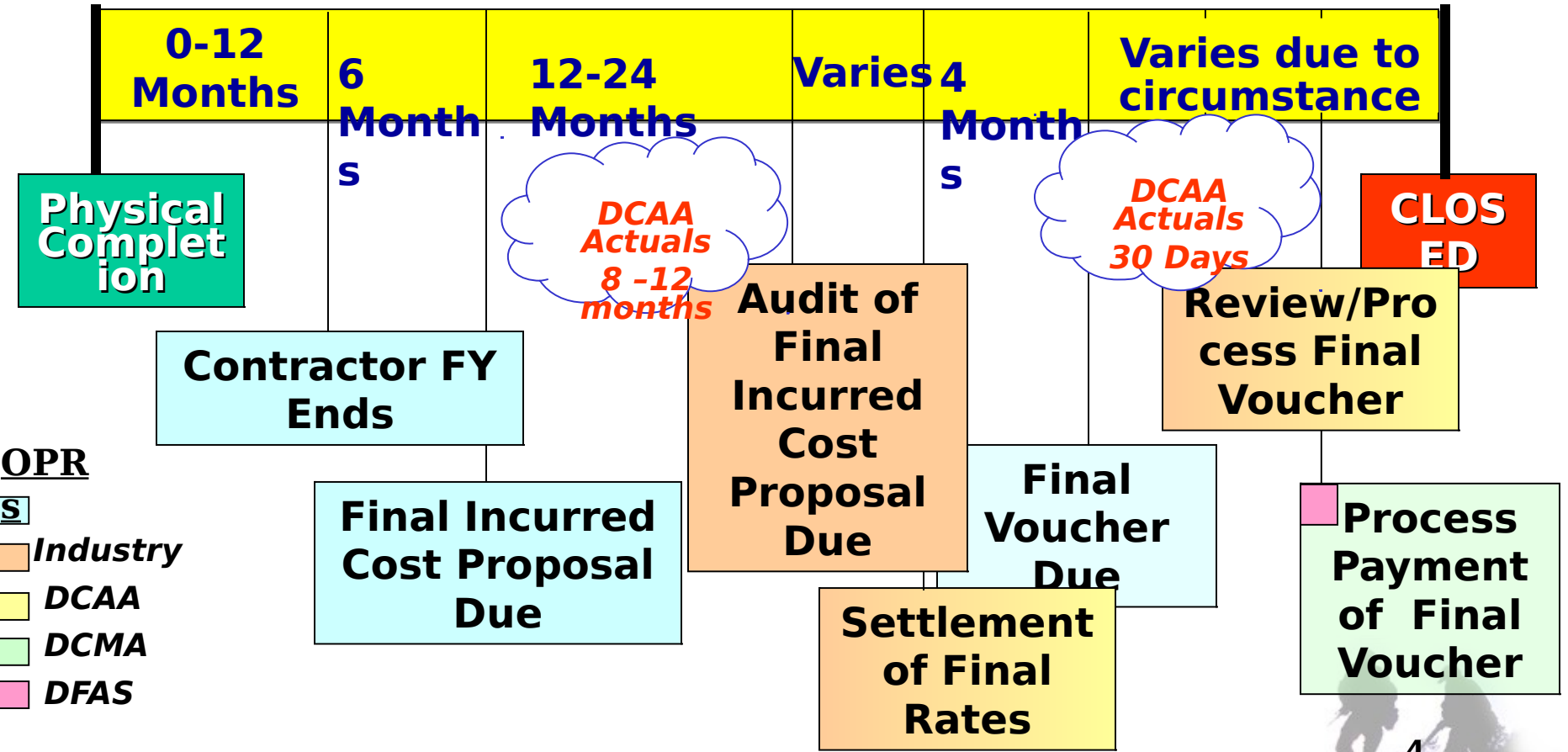
Challenges: Unique Situation

**Workload
Staffing
Priorities
Aggressive Goals**

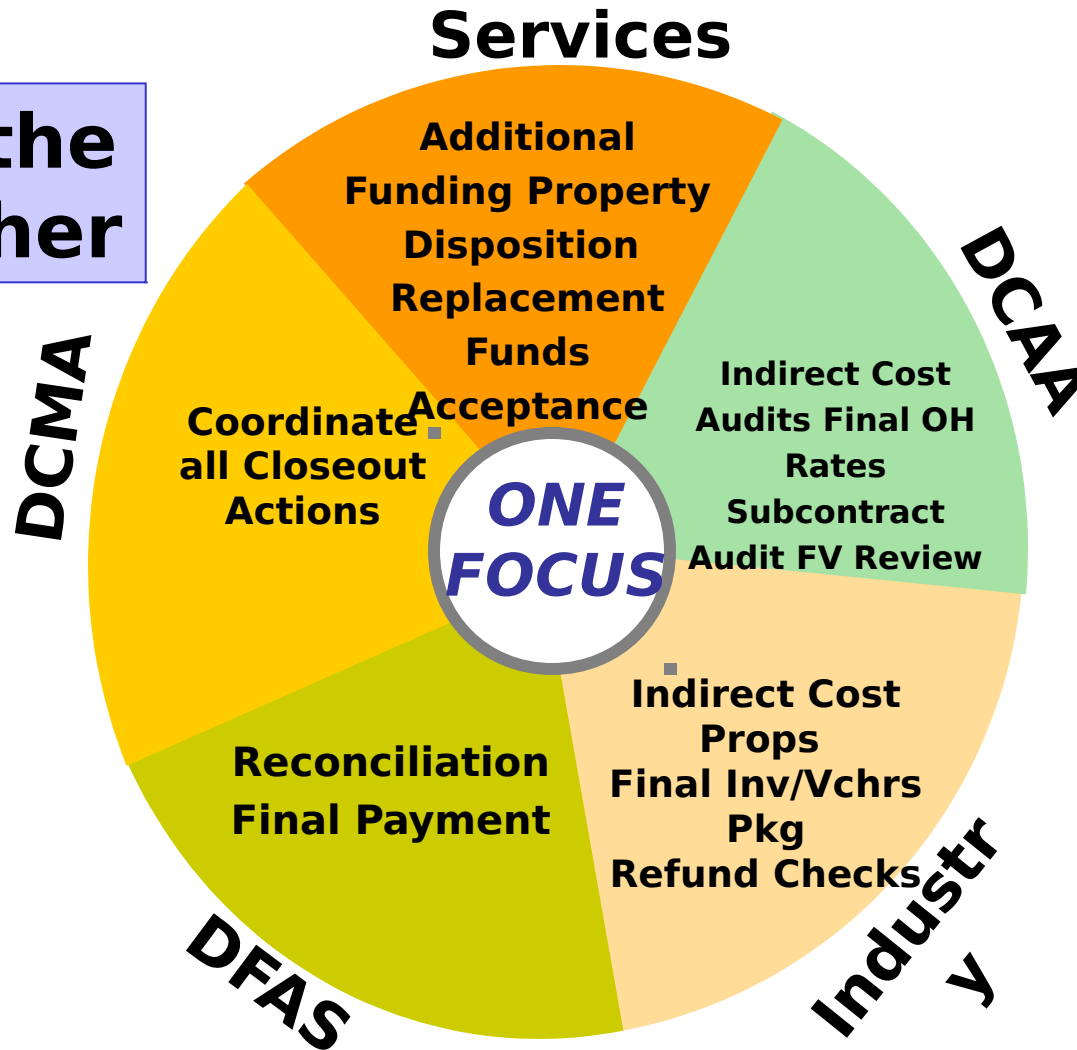


Flexibly Priced Closeout Timeline

From Physical Completion to Closed



Achieving the Goal Together



What is it?

- **Risk-Based Approach**
 - Utilize fixed labor rates
 - Accept provisional G&A rate
- **Streamlines the Contract Closeout Process**
 - Settlement of Rates not required
 - Abbreviated Final Voucher
 - Expedites payment and closeout

**60% T&M
Contracts**

- **Contractor Participation**
- **DCMA/DCAA Kickoff meeting for initial low risk contractors**
- **Lack of individual contract audits is an incentive**
- **Communicate conflicting priorities (canceling funds, etc.)**



- Selection of contractors for participation
- Performance of risk assessments
- Getting contractors to participate
- Timely submission of final vouchers
- Sampling of final vouchers



DCAA

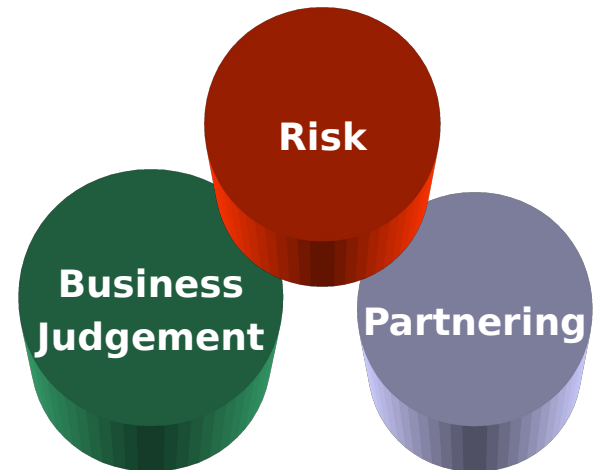
- Reduced audit effort on low risk contractors

DCMA

- Reduced reconciliation effort allowing ACO to focus on active work
- Prevents funds from canceling
- Contract closes within FAR mandated timeframes

Contractor

- Abbreviated final voucher process saving time and dollars
- Submit Final Voucher before Final Rate



Integrated Effort - DCMA, DCAA, Contractors

Results!!!

- Contractors approved (low risk)
23/55
- High risk contractors (alternative approach)
4
- Contracts closed
3,



High Risk Alternative Approach

- Background
 - Contractor Cooperative
 - Billing System Deficiencies
 - Significant G&A Costs Questioned in prior audits
 - Contractor unable to generate sufficient volume of final vouchers/monthly basis



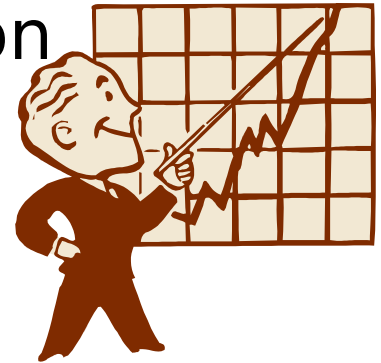
Overview of Risk-Based Process

Memorandum of Agreement Between DCMA, DCAA, and Contractor

- Identified 341 IDIQ Delivery Orders with rates settled
- DCAA determined increment/decrement factor for each IDIQ contract
- Unbilled amount < \$50,000 contractor waived payment at Basic Level
- All credits were refunded to Government



- Contractor
 - Reduced Final Voucher Preparation
 - Closeout Backlog Decreased
- Government
 - <60 days over 340 Delivery Orders closed
 - Wynne Phase III contracts closed (app. 200)
 - Replacement funds not required
 - Excess funds returned to Services



- Background
 - Low Risk Contractor
 - Multiple Acquisitions
 - Large Number of Overage Contracts with Delinquent Final Vouchers
- Challenges
 - Close Large Number of Contracts (2,000+)
 - Meet **ALL** Regulatory Requirements
 - Satisfy DCAA and DFAS Internal Operational Requirements



Anteon Closeout Initiative

- Process
 - MOA Between DCMA and Contractor
 - Agreement with DCAA and DFAS
 - Streamlined Submission Format
 - Accelerated Cumulative Allowable Cost Worksheet (CACWS) Audit



DCMA Anteon Closeout Initiative

It Starts with Me

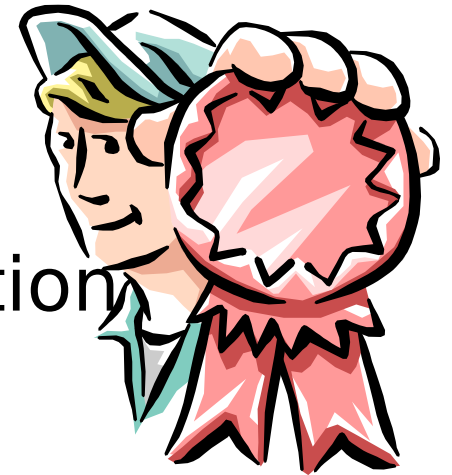
- Submission Format
 - Use Spreadsheet Format (CACWS)
 - Group Like Vouchers (Credits, Debits, Zeros)
 - Streamlined Final Documents
 - Form SF1034s, Releases, Assignment of Refunds, Rebates, and Credits)
 - Deviation for Form DD 1597 (Closeout Worksheet)
 - Concurrent Audit by DCAA

DCMAAnteon Closeout Initiative

It Starts with Me

- Results

- Final Vouchers with Documentation
 - 2,056 Contracts
 - Provided by Contractor in 30 Days
- DCMA Reviewed 1,702 Final Vouchers
- Currently in Payment Process
 - 734 Contracts
- Closed 968 Contracts in 3 Months



Questions

